

# PART 1

## Formulas:

### Statement of Changes in Owner's Equity:

Beginning Capital  
 Plus: Investments  
 Plus: Net Income  
 Less: Withdrawals  
 Ending Capital

### Income Statement For A Service Company:

Revenues - Expenses = Net Income

### Accounting Equation:

Assets = Liabilities + Owner's Equity

### Accounts:

<u>Assets</u>		<u>Liabilities</u>		<u>Equity</u>		<u>Revenue</u>		<u>Expenses</u>	
debit	credit	debit	credit	debit	credit	debit	credit	debit	credit
+	-	-	+	-	+	-	+	+	-

### Bathroom Network – Worksheet – Jan. 31, 1996

Account Titles	Trial Balance		Adjustments		Adjusted Trial Balance		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	\$1,000				\$1,000				\$1,000	
Accounts Receivable	500		5300		800				800	
Supplies	600			5200	400				400	
Prepaid Expenses	200			100	100				100	
Office Equipment	5,000				5,000				5,000	
Building	100,000				100,000				100,000	
Accounts Payable		\$3,500				\$3,500				\$3,500
Mortgage Payable		90,000				90,000				90,000
Service Revenue		500		300		800		\$800		
Capital		13,300				13,300				13,300
	<u>\$107,300</u>	<u>\$107,300</u>								
Depreciation Exp. - Bldg.			100		100		\$100			
Accumulated Dep. - Bldg.				100		100				100
Depreciation Exp. - Equip.			500		500		500			
Accumulated Dep. - Equip.				500		500				500
Supplies Expense			200		200		200			
Utilities Expense			100		100		100			
			<u>\$1,200</u>	<u>\$1,200</u>	<u>\$108,200</u>	<u>\$108,200</u>	<u>\$900</u>	<u>\$800</u>		
Net Loss								100		
							<u>\$900</u>	<u>\$900</u>	<u>\$107,400</u>	<u>\$107,400</u>